

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 /054 W

-----110242Z 020461 /64

R 101126Z JUN 77

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 2205

INFO AMCONSUL KARACHI

AMCONSUL LAHORE

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E.O. 11652: N/A

TAGS: EINV, PK

SUBJECT: GENERAL TYRE

1. CONGEN KARACHI RECEIVED A TELEPHONE CALL JUNE 9 FROM FRANK NORTON, GENERAL MANAGER OF GENERAL TYRE'S KARACHI OPERATION, TO CONFIRM THAT DAY'S PRESS REPORT THAT GENERAL TYRE HAS DIVESTED ITSELF OF MOST OF THE SHARES AND MANAGEMENT CONTROL OF THE COMPANY TO ITS PAKISTANI PARTNER, LT. GENERAL M. HABIBULLAH KHAN KHATTAK. AS STORY REPORTS, GENERAL TYRE WILL RETAIN SMALL INTEREST IN COMPANY AND WILL CONTINUE ITS TECHNICAL SERVICE CONTRACT. THE COMPANY WILL CONTINUE UNDER THE NAME OF GENERAL TYRE, NORTON, NOW NO LONGER GENERAL MANAGER, WILL REMAIN WITH FIRM FOR "QUITE SOME TIME."

2. COMMENT: GENERAL TYRE IS ONE OF THE LARGER AND BETTER KNOWN OF THE US INVESTORS IN PAKISTAN. IT HAS HAD ITS TROUBLES, PRINCIPALLY A DIFFICULT LABOR SITUATION UNDER ITS PREVIOUS GENERAL MANAGER AND HEAVY COMPETITION FROM SMUGGLED TIRES. WE HAVE HEARD AT VARIOUS TIMES IN THE PAST COUPLE OF YEARS THAT IT PLANNED TO EXPAND AND THAT THE AMERICAN SHARE HOLDERS WANTED TO PULL OUT.

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3. IN DISCUSSING THE REASONS FOR THE PRESENT MOVE, NORTON TOLD KARACHI ONLY THAT IT "WAS AKRON POLICY." WE HAD HEARD SOME WEEKS AGO FROM ANOTHER SOURCE THAT A SALE OF SOME SHARES BY GENERAL WAS LIKELY AND THAT IT WAS RELATED TO A GENERAL RETRENCHMENT BY GENERAL TYRE'S OVERSEAS INVESTMENTS. IF THIS IS INDEED TRUE --CONGEN KARACHI WILL ATTEMPT TO GET MORE INFORMATION--THIS

WOULD REDUCE THE SIGNIFICANCE OF THIS MOVE AS AN INDICATOR OF FOREIGN INVESTOR NERVOUSNESS ABOUT PAKISTAN, ALTHOUGH OF COURSE RECENT TROUBLES IN PAKISTAN COULD HAVE GIVEN ADDED IMPETUS TO A DECISION THE COMPANY WAS CONSIDERING ANYWAY.

4. GENERAL HABIBULLAH IS A WELL-KNOWN INDUSTRIALIST FROM NWFP, A MEMBER OF THE "22 FAMILIES" GROUP WHICH BHUTTO IN HIS EARLY YEARS IN POWER EXCORIATEE FOR "EXPLOITING THE PEOPLE." HE HAS HAD AN INTEREST IN GENERAL TYRE FOR MANY YEARS.
CONSTABLE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
Legacy Key: link1977/newtext/t19770670/aaaacjce.tel
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Original Classification: LIMITED OFFICIAL USE
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Review Date: 21-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2203125
Secure: OPEN
Status: NATIVE
Subject: GENERAL TYRE
TAGS: EINV, PK, US, GENERAL TIRE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/c1fbed7f-c288-dd11-92da-001cc4696bcc
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